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C O N F I D E N T I A L SECTION 01 OF 03 LA PAZ 002626

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SUBJECT: BOLIVIA'S NEW "PEACEFUL" RELATIONS WITH IRAN/LIBYA

REF: A. LA PAZ 2587

[1](#)B. LA PAZ 2525

[1](#)C. LA PAZ 2510

[1](#)D. LA PAZ 2500

Classified By: EcoPol Chief Mike Hammer for reasons 1.4 (b) and (d)

[1](#)1. (C) Summary: With the visit of Iranian President Mahmoud Ahmadinejad and signing of \$1.1 billion in cooperation agreements September 27, Bolivia and Iran have fundamentally deepened both their commercial and political relationship. In his signing ceremony speech, Morales emphasized Bolivia's right to establish relations with whatever country it wanted, the right to natural resources and technology, and the "false peace" perpetrated by leading world powers. Foreign Ministry contact told poloff September 25 the government will continue to stress publicly the economic benefits of the relationship, although the core motive is a symbolic distancing from U.S. foreign policy. He added the opposition will use its congressional role for approving Ambassadors to argue against formal relations. Bolivian Government leaders also announced September 25 a "gradual" establishment of diplomatic relations with Libya over the next few months and appear to have embraced a political relationship with Iran, in contrast to earlier claims the relationship would be confined to commercial sectors. End Summary.

Morales Assures &Peaceful8 Iranian Relations

[1](#)2. (U) Bolivian President Evo Morales and Iranian President Mahmoud Ahmadinejad cemented their intention to establish full diplomatic relations during a September 27 signing ceremony for three commercial agreements and a joint declaration. The agreements pledge a total of \$100 million in projects for technological cooperation and increased trade in the hydrocarbon, agriculture, and manufacturing sectors and a vague promise for \$1 billion over 5 years in industrial cooperation, although it is not clear whether this is investment, assistance, or some combination. Although Morales stressed economic and commercial development and assured the "international community that we are oriented toward peace," he also provided gist for doubt about Bolivia's intentions regarding Iran's nuclear program. He said all countries have the right to natural resources,

justice, knowledge, and technology. The joint declaration asserts the right of "peaceful development" of energy to all countries, but "not in the use of arms."

Viva Bolivia, Viva Iran Lovefest

¶3. (U) Amid hugs, fist pumping, and intermittent cries from the crowd of "viva Bolivia, viva Iran," President Morales and President Ahmadinejad spoke at length about the emerging friendship between the two peoples. "I say in a loud voice, we will always be at the side of the Bolivian people," asserted Ahmadinejad, who added the two countries should not let "any obstacle" get in the way of improving the lives of their peoples. Morales thanked Iran for "working without limits with Bolivia" and, in a swipe to critics of the new relationship, asserted "we have every right to improve our economy with relations with all the world." Morales asserted Bolivia would continue to build diplomatic and commercial inroads throughout the world, including the Middle East. The joint declaration calls for other Latin American countries to join Bolivia and Iran to offer an alternative to "neoliberalism." Morales also argued that "great powers should not demand (compliance from other countries) for that which they do not themselves comply" and made multiple references to Bolivia's culture of peace and dialogue.

FM Source: Iranian Relations "All About the U.S."

¶4. (C) A Foreign Ministry source told poloff September 25 that Iranians in Bolivia have been working on the Ahmadinejad

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visit for about three months. He described the "vague" cooperation agreements as an excuse to bring Ahmadinejad to La Paz and show Bolivia's independence from U.S. foreign policy. He predicted the government would publicly emphasize the commercial, but this is "all political" and "all about the U.S." He said the Foreign Ministry advised against a diplomatic relationship with Iran, but their report was discarded by palace advisors and Morales "sees no downside to establishing relations."

Senate Ambassadorial Approval/Future Relations:
Watch This Space

¶5. (C) Although the executive has the power to establish diplomatic relations without consent of congress, Foreign Ministry source predicted the opposition-controlled senate would make a case against relations when it is called upon to approve the eventual Bolivian Ambassador to Iran. When asked about future relations with other rouge regimes, he ruled out Syria and North Korea, who have "nothing to offer."
(Comment: GOB officials had discounted Iranian relations until recently. End Comment.)

GOB/Opposition Pressing the Press

¶6. (U) Bolivian Government officials have frenetically advanced their Iran policy to both the international and domestic media this week, seeking to clarify and calm international skeptics on one hand, while maintaining a core message of defiance to the U.S. Officials have tried to clarify that Bolivia supports only the "peaceful" development of Iran's nuclear program, not development of weapons or "policies against life." In what has since become the leading government talking point, Morales said September 25, "We are opening relations with Iran not to hurt or offend anyone, only to improve the economic situation of the country."

¶7. (U) In a BBC interview September 26, Morales said it is a matter of sovereignty that countries have diplomatic

relations, not a matter for third countries to decide. "We are not ever breaking relations with the U.S. and we have relations with Iran even though some politicians and journalists do not like it." When asked to explain why Bolivia is ignoring international concern by opening relations with Iran, Morales responded, "I do not tell you who you can interview."

18. (U) Morales told CNN September 26 that the new relationship is not intended to "offend" or endorse hostile acts. "There will never be (Bolivian) agreements to attack anybody, to offend anybody, to implement interventionist policies of death " because we belong to the culture of life we want to complement ourselves with Iran in search of solutions." Morales explained relations with Iran and Libya would not lead to a break in relations with the U.S. because Bolivia belongs to a "culture of dialogue." He added, "We will bear the criticisms."

19. (U) In statements to the domestic press September 26, MAS leaders shifted tone from the old emphasis on commercial relations to admitting and embracing a political relationship with Iran. Vice President Alvaro Garcia Linera said the new relationship was prompted by a "political agenda," but explained "all diplomatic relations have a political component" (La Prensa). MAS Senator Gaston Cornejo projected a deep relationship with Iran, describing an "alternative block (of countries) against the U.S. with great reserves of non-renewable natural resources." The Bolivian Senate Foreign Relations Committee member envisioned the "circle of countries" to include Bolivia, Iran, Venezuela, Ecuador, and Cuba (La Prensa)(Note: other leaders include Libya as well. End Note). MAS Deputy Gustavo Torrico said September 26 that Iran wants Bolivia's "friendship" in order to bolster its position in the UN against "a U.S. scheme to submit it to

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international isolation" (La Razon). Opposition politicians accused the government of aligning Bolivia with a rouge regime with links to terrorism and nuclear arms development. Ahmadinejad's visit was also criticized by businessmen and press editorials, particularly in Santa Cruz, where El Mundo's September 26 cover has the Iranian President's photo superimposed with an anti symbol.

What the Cat Drug In: Libya Next Rouge Relation

110. (U) Presidential Minister Juan Ramon Quintana announced September 25 that Libya and Bolivia will pursue "in a gradual manner over the next few months" diplomatic relations and economic cooperation. The announcement follows a September 24 meeting of delegations along the margins of the UNGA, including President Morales and Libyan Foreign Minister Abdurrahman Mohammed Shalgam. Both countries will exchange "technical" delegations in the coming weeks to explore areas of potential cooperation, such as brining Libyan petrochemical expertise to Bolivia and exporting Bolivian agricultural products to Libya. Bolivian media seemed alarmed about relations with another regime linked to terrorism following the September 11 announcement of diplomatic ties with Iran.

Comment

111. (C) Comment: Morales' speech had seemingly contradictory objectives of reassuring an alarmed international community of his commitment to peace and dialogue while simultaneously supporting the right of Iran to pursue "peaceful" nuclear technology. Evo refrained from attacking the U.S. by name and continues to assert a commitment to maintaining relations. However, broad criticisms of great powers, the "false peace" of the existing world order, and the rights of the marginalized to resources and knowledge are obviously aimed at Uncle Sam. Evo appears to believe he can manage the

consequences of these new relationships and walk the rhetorical tightrope that a commitment to "peace" and a friendship with Iran will require. It is unclear if this schizophrenic discourse is the product of sincere naiveté or a cynical double game.

¶12. (C) Despite an alleged Bolivian Government aversion to "policies of death," it has not supported UN resolutions or compliance with IAEA inspections regarding Iran's nuclear program (refs a and c). Morales' reference to the right to have relations with Iran is a straw man, as no one is arguing against this right. The insinuation that Evo is standing up to U.S. pressure in advancing relations with Iran, however, works to energize his base. End Comment.
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